



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appln No.: 10/729,654

Filed: December 5, 2003

Applicant: Gurupdes S. PANDHER

For: OPTION VALUATION METHOD
AND APPARATUS

Art Unit: 3624

Examiner:

Attorney Docket No.: 79820

Customer No.: 22242

Confirmation No. 2791

CERTIFICATE OF MAILING

I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this date.

4/29/2004

Date

Steven G. Parmelee

Registration No. 28,790

Attorney for Applicant(s)

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

INFORMATION DISCLOSURE STATEMENT

Sir:

Pursuant to the duty of disclosure under 37 CFR § 1.56, and in accordance with 37 CFR §§ 1.97 and 1.98, Applicant brings the following information with respect to the above-identified application to the attention of the Examiner.

NON PATENT LITERATURE DOCUMENTS

BLACK, Fischer and SCHOLLES, Myron, "The Pricing of Options and Corporate Liabilities," *The Journal of Political Economy*, Vol. 81, No. 3, May-June 1973, pp. 637-654.

NON PATENT LITERATURE DOCUMENTS

MERTON, Robert C., "Option Pricing When Underlying Stock Returns Are Discontinuous," *Journal of Financial Economics*, 3 (1976), pp. 125-144.

COX, John C., ROSS, Stephen A., and RUBINSTEIN, Mark, "Option Pricing: A Simplified Approach," *Journal of Financial Economics*, No. 7, 1979 pp. 229-263.

LAMBERT, Richard A., LARCKER, David F., and VERRECCHIA, Robert E., "Portfolio Considerations in Valuing Executive Compensation," *Journal of Accounting Research*, Vol. 29, No. 1, Spring 1991, pp. 129-183.

JENNERGREN, L. Peter and NÄSLUND, Bertil, "A Comment on 'Valuation of Executive Stock Options and the FASB Proposal,'" *The Accounting Review*, Vol. 68, No. 1, January 1993, pp. 179-183.

CUNY, Charles J. and JORION, Philippe, "Valuing Executive Stock Options With Endogenous Departure," *Journal of Accounting and Economics*, 20 (1995), pp. 193-205.

WILCOX, Jarrod W., "Selling Bottlenecks: Causes and Treatments," *Financial Analysts Journal*, March-April 1994, pp. 49-54.

HUDDART, Steven, "Employee Stock Options," *Journal of Accounting and Economics*, 18 (1994) pp. 207-231.

KULATILAKA, Nalin and MARCUS, Alan J., "Valuing Employee Stock Options," *Financial Analysts Journal*, November-December 1994, pp. 46-56.

ARTZNER, Philippe and DELBAEN, Freddy, "Default Risk Insurance and Incomplete Markets," *Mathematical Finance*, Vol. 5, No. 3, July 1995, pp. 187-195.

RUBINSTEIN, Mark, "On The Accounting Valuation Of Employee Stock Options," *The Journal of Derivatives*, Fall 1995, pp. 8-24.

HUDDART, Steven and LANG, Mark, "Employee Stock Option Exercises, An Empirical Analysis," *Journal of Accounting and Economics*, 21 (1996) pp. 5-43.

NON PATENT LITERATURE DOCUMENTS

JARROW, Robert A., LANDO, David, and TURNBULL, Stuart M., "A Markov Model for the Term Structure of Credit Risk Spreads," *The Review of Financial Studies*, Vol. 10, No. 2, Summer 1997, pp. 481-523.

DUFFIE, Darrell and SINGLETON, Kenneth J., "An Econometric Model of the Term Structure of Interest-Rate Swap Yields," *The Journal of Finance*, Vol. 52, No. 4, September 1997, pp. 1287-1321.

CARPENTER, Jennifer N., "The Exercise and Valuation of Executive Stock Options," *Journal of Financial Economics*, 48 (1998), pp. 127-158.

LANDO, David, "On Cox Processes and Credit Risky Securities," *Review of Derivatives Research*, 2 (1998), pp. 99-120.

JARROW, Robert A. and TURNBULL, Stuart M., "Pricing Derivatives on Financial Securities Subject to Credit Risk," *The Journal of Finance*, Vol. 50, No. 1, March 1995, pp. 53-85.

MADAN, Dilip B. and UNAL, Haluk, "Pricing the Risks of Default," *Review of Derivatives Research*, 2 (1998), pp. 121-160.

DUFFIE, Darrell and SINGLETON, Kenneth J., "Modeling Term Structures of Defaultable Bonds," *The Review of Financial Studies*, Vol. 12, No. 4, 1999, pp. 687-720.

BRENNER, Menachem, SUNDARAM, Rangarajan K., and YERMACK, David, "Altering the Terms of Executive Stock Options," *Journal of Financial Economics*, 57 (2000), pp. 103-128.

CARPENTER, Jennifer N. and REMMERS, Barbara, "Executive Stock Option Exercises and Inside Information," *The Journal of Business*, Vol. 74, No. 4, October 2001, pp. 513-534.

The above documents are listed on Form PTO/SB/08B which accompanies this Information Disclosure Statement. A copy of each non-patent literature document listed therein is enclosed.

Pursuant to 37 CFR § 1.97(h), the filing of this Information Disclosure Statement shall not be construed to be an admission that the information cited in the

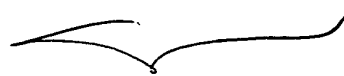
Application No. 10/729,654
Filed December 5, 2003
INFORMATION DISCLOSURE STATEMENT

statement is, or is considered to be, material to patentability as defined in 37 CFR § 1.56(b).

The Director is hereby authorized to charge any additional fees which may be required with respect to this communication or credit any overpayment to Deposit Account No. 06-1135.

Respectfully submitted,
FITCH, EVEN, TABIN & FLANNERY

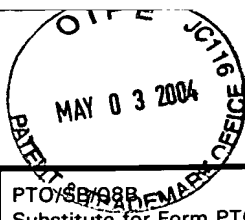
By



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April 29, 2004

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PTO/SB-088 Substitute for Form PTO-1449		Application Number 10/729,654	
INFORMATION DISCLOSURE STATEMENT BY APPLICANT <i>(use as many sheets as necessary)</i>		Filing Date December 5, 2003	
		First Named Inventor Gurupdes S. PANDHER	
		Art Unit 3624	
		Examiner Name 	
Sheet 1	of 2	Attorney Docket 79820	

NON PATENT LITERATURE DOCUMENTS			
Examiner Initials*	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published	T ²
		BLACK, Fischer and SCHOLES, Myron, "The Pricing of Options and Corporate Liabilities," <i>The Journal of Political Economy</i> , Vol. 81, No. 3, May-June 1973, pp. 637-654.	
		MERTON, Robert C., "Option Pricing When Underlying Stock Returns Are Discontinuous," <i>Journal of Financial Economics</i> , 3 (1976), pp. 125-144.	
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Examiner Signature		Date Considered	
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*EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.
¹ Applicant's unique citation designation number (optional). ² Applicant is to place a check mark here if English language Translation is attached.

PTO/SB/08B Substitute for Form PTO-1449 INFORMATION DISCLOSURE STATEMENT BY APPLICANT <i>(use as many sheets as necessary)</i>		Application Number	10/729,654		
		Filing Date	December 5, 2003		
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		Art Unit	3624		
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Sheet	2	of	2	Attorney Docket	79820

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